



GUJARAT INDUSTRIES POWER COMPANY LIMITED
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Email : csacshah@gipcl.com Website : www.gipcl.com,
CIN – L99999GJ1985PLC007868

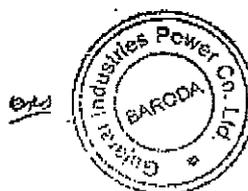
Report of the Audit Committee of Directors of Gujarat Industries Power Company Limited (the listed Transferee Company) CIN:L99999GJ1985PLC007868 recommending the Draft Scheme of Arrangement in the nature of Merger of GIPCL Projects and Consultancy Company Limited (the unlisted Transferor Company) CIN:U74999GJ2012PLC071761 with Gujarat Industries Power Company Limited.

The Audit Committee was informed about the proposal to merge GIPCL Projects and Consultancy Company Limited (the Transferor Company) CIN: U74999GJ2012PLC071761 with Gujarat Industries Power Company Limited (the Transferee Company) CIN: L99999GJ1985PLC007868 and the draft Scheme of Arrangement in the nature of Merger was placed before the Audit Committee at its Meeting held on 26/08/2016.

The Committee perused the Draft Scheme and noted that GIPCL Projects and Consultancy Company Limited, the Transferor Company is a wholly owned subsidiary of the Transferee Company. The Committee, inter alia, noted following features of the draft Scheme of Merger:

- Appointed Date for the merger of GIPCL Projects and Consultancy Company Limited (the Transferor Company) CIN: U74999GJ2012PLC071761 with Gujarat Industries Power Company Limited (the Transferee Company) CIN:L99999GJ1985PLC007868 to be 1st April, 2016;
- Inter-company investments and balances, if any, will stand cancelled as a result of merger;
- All the assets, liabilities, employees, etc., if any, of GIPCL Projects and Consultancy Company Limited (the Transferee Company), as on the Appointed date will become the assets, liabilities, employees, etc. of Gujarat Industries Power Company Limited.

The Committee was also informed that as per the requirement of SEBI Circular No. CIR/ CFD/ 16/ 2015 dated November 30, 2015 listed companies are required to place before its Audit Committee, the valuation report obtained from an Independent Chartered Accountant and the Audit Committee shall furnish a report recommending draft Scheme, taking into consideration, the valuation report. The said SEBI Circular was placed before the Committee.



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The Committee noted that Gujarat Industries Power Company Limited (the Transferee Company) and its Nominees are the only shareholders of GIPCL Projects and Consultancy Company Limited (the Transferor Company) and the entire issued, subscribed and paid up equity share capital of the Transferor Company shall stand cancelled and extinguished as a result of the said Merger.

Further, as the Transferee Company is not required to issue shares to any person in consideration of and consequent upon the Scheme of Merger and the paid up share capital of the Transferor Company shall stand extinguished, the requirement of obtaining Valuation Report from an Independent Chartered Accountant and placing the same before the Audit Committee is not applicable, in the case of Transferee Company/GIPCL.

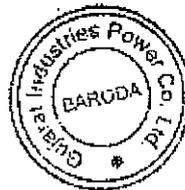
Recommendations of the Audit Committee:-

After perusal of the rationale of the said Scheme of Merger and noting that the said Scheme will result in consolidation of the business in one entity and achieve better operational and administrative efficiency by harnessing and optimizing the synergies of both the Companies and that it would be in the best interests of both the Companies and their respective Shareholders, the Audit Committee considered, noted and recommended the said draft Scheme of Arrangement in the nature of Merger of GIPCL Projects and Consultancy Company Limited, (CIN:U74999GJ2012PLC071761), the Transferor Company, with Gujarat Industries Power Company Limited (CIN:L99999GJ1985PLC007868), the Transferee Company, inter-alia, taking into consideration other reports and papers placed before the Committee, for the approval of the Board of Directors of Gujarat Industries Power Company Limited (the Transferee Company).

For Gujarat Industries Power Company Limited

K.M. Joshi

**Dr. K M Joshi
(DIN:00501563)
Chairman of Audit Committee**



**Date: 26/08/2016. *ed*
Place: Vadodara.**